

recommendations of India-Japan Joint Study Group in its report submitted to the Prime Ministers of India and Japan in July, 2006, the Trade and Economic Relation Committee (TERC) has approved the proposal to negotiate and Economic Partnership Agreement (EPA)/Comprehensive Economic Partnership Agreement (CERA) with Japan. The process of negotiations is expected to take two years from its launch. An EPA/CEPA when concluded is expected to result in manifold benefits, including those flowing from increased trade and investment between the two countries.

FOI in Andhra Pradesh

714. SHRI M.V. MYSURA REDDY: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) the State-wise details of Foreign Direct Investment permitted by Government, for industrialisation in the country, during the last three years;
- (b) whether Government have formulated any scheme to promote/permit more Foreign Direct Investment in Andhra Pradesh, in comparison to other States;
- (c) if so, the details thereof; and
- (d) if not, what other steps are being taken by Government to promote industrialisation in Andhra Pradesh?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI ASHWANI KUMAR): (a) A Statement showing Foreign Direct Investment (FDI) approvals during the period 2003-04 to 2005-06 is enclosed. (*See below*).

(b) to (d) Government of India has put in place a liberal and investor-friendly policy of Foreign Direct Investment (FDI) under which FDI up to 100% is permitted on the automatic route in most sectors/activities into the country and there is not State specific dispensation provided in the Policy. However, in addition, State Governments have put together their own incentive packages to attract investment. A liberal FDI policy framework is one of the enabling factors for ensuring FDI inflows-, though, under the liberalized economic environment, investment decisions of investors are based on techno-economic and commercial considerations.

Statement on State-wise FDI approved*(From April 2003 to March 2006)*

(Rupees in crore)

SL No	State	2003-04 Apr-Mar		2004-05 Apr-Mar		2005-06 Apr-Mar		Cumulative Total (01/04/2003 to 31/03/2006)	
		Number	Amount involved	Number	Amount involved	Number	Amount involved	Number	Amount involved
1	2	3	4	5	6	7	8	9	10
1.	Andhra Pradesh	107	526.66	78	689.10	25	371.82	2101	587.59
2.	Assam	0	0.00	1	0.40	1	0.51	2	0.91
3.	Bihar	1	0.00	0	0.00	0	0.00	1	0.00
4.	Gujarat	52	148.04	351	711.81	9	153.05	96	2,012.90
5.	Haryana	26	248.29	16	34.07	12	57.54	54	339.91
6.	Himachal Pradesh	1	0.10	2	52.63	1	9.00	4	61.73
7.	Karnataka	257	449.41	191	1,099.44	39	917.02	4872	465.87
8.	Kerala	31	21.22	11	230.43	6	76.77	48	328.42
9.	Madhya Pradesh	7	0.44	1	0.05	2	6.00	10	6.49
10.	Maharashtra	361	1,527.34	302	1,579.60	111	3,961.85	7747	068.79
11.	Manipur	1	0.00	0	0.00	0	0.00	1	0.00
12.	Orissa	2	0.10	2	6.14	1	0.35	5	6.59
13.	Punjab	9	465.50	10	690.49	3	19.11	221	1,751.10
14.	Rajasthan	15	28.03	4	4.14	2	0.20	21	32.38
15.	Tamil Nadu	223	815.18	109	348.17	39	261.63	3711	424.98
16.	Tripura	2	2.41	0	0.00	0	0.00	2	2.41
17.	Uttar Pradesh	25	102.32	15	18.44	9	82.48	49	203.24
18.	West Bengal	36	303.45	29	278.23	9	113.66	74	695.34
19.	Chhattisgarh	0	0.00	3	200.16	0	0.00	3	200.16
20.	Jharkhand	1	0.20	1	2.00	0	0.00	2	2.20
21.	Uttaranchal	1	0.00	0	0.00	3	28.63	4	28.63

1	2	3	4	5	6	7	8	9	10
22	Chandigarh	10	5.75	9	127.99	0	0.00	19	133.74
23	Dadra & Nagar Haveli	0	0.00	0	0.00	0	0.00	0	0.00
24	Delhi	328	1,63.36	2131,063.52		71	740.99	6122,967.87	
25	Goa	39	19.13	39	9.07	3-	39.4	81	67.61
26	Pondicherry	8	42.61	2	0.12	0	0.00	10	42.73
27	Daman & Diu	3	0.24	2	5.43	0	0.00	5	5.67
28	State Not Indicated	82	353.73	84	576.27	791.750.98		2452,680.98	
	GRAND TOTAL	1628	6,223.52	1159	8,727.71	425~	8,591.00	3212	23,542.23

FDI in India *vis-a-vis* China, Russia and Brazil

715. MS. MABEL REBELLO: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) how does the present level of FDI in the country compare with other countries like China, Russia and Brazil;

(b) what are the reasons for the difference; and

(c) what steps Government propose to take to attract more FDI?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI ASHWANI KUMAR): (a) to (c) As per the World Investment Report 2005 published by the United Nations Conference on Trade and Development, the FDI inflows in 2004 into China totalled 60,630 million, in Russian Federation these aggregated \$ 11,672 million, Brazil attracted \$ 18,166 million while India received \$ 5,335 million. FDI inflows depend on various factors both external and internal. Besides the macro-economic environment in the host economy, global economic environment, corporate strategy of the transnational corporations, and economic situation in other FDI destinations play a major role. To attract more FDI into the Country the Government has put in place a liberal and investor friendly policy on Foreign Direct Investment (FDI) under which FDI up to 100% is permitted on the automatic route in most sectors/ activities. Besides a liberal policy, the Government is also reaching out through promotional